Township of Koylton

Tuscola County, Michigan

Audited Financial Report
March 31, 2005

Lehn L. King
Certified Public Accountant
Marlette, Michigan

Michigan Deptartment of Treasury
496 (2-04)

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type	Local Government Name	County
☐ City ☑ Township ☐ Village ☐ Other	Koylton Township	Tuscola

Audit Date	Opinion Date	Date Accountant Report Submitted to State:
6/14/05	6/15/05	8/18/05

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

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LOCAL AUDIT & FINANCE DIV.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

☐ Yes ☑ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.

☐ Yes ☑ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).

☐ Yes ☑ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).

☐ Yes ☑ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.

☐ Yes ☑ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).

☐ Yes ☑ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.

☐ Yes ☑ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).

☐ Yes ☑ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).

☐ Yes ☑ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name)			
Lehn L. King, C.P.A.			
Street Address	City	State	ZIP
3531 Main Street	Marlette	MI	48453
Accountant Signature		Date	
		7/12/05	

Township of Koylton

Annual Financial Report
For The Fiscal Year Ended March 31, 2005

Table of Contents

	Page Number
I. Independent Audit Report	1
II. Management's Discussion & Analysis (Required Supplementary Information)	MDA 1-3
III. Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets	2
Statement of Activities	3
Fund Financial Statements:	
Government Funds	
Balance Sheet	4
Reconciliation of Fund Balances to the Statement of Net Assets	5
Statement of Revenue, Expenditures, & Changes in Fund Balance	6
Reconciliation of the Statement of Revenue, Expenditures, & Changes In Fund Balances of Governmental Funds to the Statement of Activities	7
Statement of Net Assets (Deficit) Fiduciary Funds	8
Notes to Financial Statements	9-14
IV. Required Supplemental Information	15
Budgetary Comparison Schedule	
General Fund	16

LEHN L. KING
CERTIFIED PUBLIC ACCOUNTANT

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MARLETTE, MICHIGAN 48453

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Members of the Township Board
Koylton Township
Tuscola County, Michigan

Independent Auditor's Report

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Koylton, Michigan as of and for the year ended March 31, 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Koylton, Michigan's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluation the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Koylton, Michigan as of March 31, 2005 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, and the budgetary comparison schedules, as identified in the table of contents, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, I did not audit the information and express no opinion on it.

The Audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Koylton, Michigan's basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

As described in Note 1, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and related statements, as of April 1, 2004.

Lehn King

Lehn L. King
Certified Public Accountant

June 15, 2005

Township of Koylton

Kingston, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS LETTER

Our discussion and analysis of the Township of Koylton's financial performance provides an overview of the Township's financial activities for the fiscal year ended March 31, 2005. Please read it in conjunction with the Township's financial statements.

Financial Highlights

The Township is in a good financial position with a General Fund Balance of $182,463.

However, the Township budget for the upcoming year could experience expenditures exceeding the revenues, thus, using up some of the current fund balance. The State anticipates cutting State Shared Revenues and costs for Fire Protection, Road Maintenance, Insurance and other Township activities are rising. So, even though the Township is in stable financial position, good financial planning is necessary for the future years.

Using this Report

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No.34. GASB Statement 34 implements a new model of financial reporting for state and local governments designed to enhance the usefulness of the Township's annual report.

The Township as a Whole

The Township of Koylton's fund balances are as follows:

	March 31, 2005	March 31, 2004
General Fund	$ 182,463	$ 144,950
Total for Township	$ 182,463	$ 144,950

Township of Koylton
Kingston, Michigan

Governmental Activities

The Township of Koylton's Revenues and Expenditures can be summarized as follows:

	General Fund March 31, 2005	General Fund March 31, 2004
Fund Balance - Beginning of Year	$ 144,950	$ 122,068
Revenue Collected		
Intergovernmental Revenue	106,602	111,504
Property Taxes	124,800	113,562
Charges for Services	11,235	8,037
Transfers	-	-
Other	4,710	700
Total Revenue Collected	247,347	233,803
Expenditures		
General Government	66,532	58,682
Public Safety	33,430	29,943
Public Works	109,872	140,626
Total Expenditures	209,834	229,251
Fund Balance - End of Year	$ 182,463	$ 126,620

Township of Koylton
Kingston, Michigan

Economic Factors and Next Year's Budget and Rates

The Township of Koylton's 2005/2006 adopted budget is as follows:

	General Fund March 31, 2006	General Fund March 31, 2005
Revenue		
Intergovernmental Revenue	$ 105,000	$ 105,000
Property Taxes	121,700	110,000
Charges for Services	5,800	3,500
Other	26,500	29,200
Total Revenue Collected	259,000	247,700
Expenditures		
General Government	99,588	102,250
Public Safety	43,000	41,000
Public Works	281,000	231,000
Total Expenditures	423,588	374,250
Net Over/Under Budget	$ (164,588)	$ (126,550)

The Township of Koylton's General Fund budget for next year is approximately the same budget as a year ago.

Contacting the Township

This report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Township Supervisor at (989) 683-2849.

Albert Ruggles
Township of Koylton Supervisor

Township of Koylton

Statement of Net Assets (Deficit)

March 31, 2005

	Primary Government Governmental Activities
Assets	
Cash & Cash Equivalents	$ 165,051.60
Property Tax Receivable	17,412.18
Capital Assets (Net of Accumulated Depreciation)	-
Total Assets	182,463.78
Liabilities	
Total Liabilities	$ -
Net Assets (Deficit)	
Invested in Capital Assets - Net of Related Debt	-
Unrestricted	182,463.78
Total Net Assets (Deficit)	$ 182,463.78

The notes are an integral part of the statements.

Township of Koylton

Statement of Activities

For the Year Ended March 31, 2005

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants & Contributions	Program Revenues: Capital Grants & Contributions	Net (Expense) Revenue & Changes in Net Assets: Primary Government: Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	$ 66,032.38	$ 3,135.00	$ -	$ -	$ (62,897.38)
Public Safety	33,429.59	-	-	-	(33,429.59)
Public Works	109,871.79	-	-	-	(109,871.79)
Recreation & Culture	500.00	-	-	-	(500.00)
Interest on Long-Term Debt	-	-	-	-	-
Total Governmental Activities	$ 209,833.76	$ 3,135.00	$ -	$ -	(206,698.76)
General Revenues:					
Property Taxes					$ 124,800.39
State Shared Revenues					106,602.00
Interest					706.29
Other Revenues					12,104.28
Transfers					-
Total General Revenues, Special Items & Transfers					244,212.96
Change in Net Assets					37,514.20
Net Assets (Deficit) - Beginning of Year					144,949.58
Net Assets (Deficit) - End of Year					$ 182,463.78

The notes are an integral part of the statements.

Township of Koylton

Governmental Funds
Balance Sheet
March 31, 2005

	General Fund	Totals Governmental Funds
Assets		
Cash & Certificates of Deposit	$ 165,051.60	$ 165,051.60
Property Taxes Receivable	17,412.18	17,412.18
Total Assets	$ 182,463.78	$ 182,463.78
Liabilities & Fund Equity		
Liabilities		
Total Liabilities	$ -	$ -
Fund Equity		
Fund Balances		
- Unreserved & Undesignated	182,463.78	182,463.78
Total Fund Balances	182,463.78	182,463.78
Total Liabilities & Fund Equity	$ 182,463.78	$ 182,463.78

The notes are an integral part of the statements.

Township of Koylton

Governmental Funds
Reconciliation of Fund Balances to the
Statement of Net Assets (Deficit)
For The Year Ended March 31, 2005

Total Fund Balances for Governmental Funds	$ 182,463.78
Amounts reported for Governmental Activities in the Statement of Net Assets (Deficit) are different because:	
Capital Assets used in Governmental Activities are not Financial Resources and are not reported in the Funds	-
Special assessment receivables are expected to be collected over several years, and are not available to pay for current year expenditures	-
Long-Term Bonds Payable are not due and payable in the current period and are not reported in the Funds	-
Accrued Interest Payable is not reported in the Funds	-
Net Assets of Governmental Activities	$ 182,463.78

The notes are an integral part of the statements.

Township of Koylton

Governmental Funds
Statement of Revenues, Expenditures, And Changes
in Fund Balances
For The Year Ended March 31, 2005

	General Fund	Totals Governmental Funds
Revenues		
Property Taxes	$ 124,800.39	$ 124,800.39
State Shared Revenue	106,602.00	106,602.00
Charges for Services	3,135.00	3,135.00
Interest Earnings	706.29	706.29
Other Revenues	12,104.28	12,104.28
Total Revenues	247,347.96	247,347.96
Expenditures		
General Government	66,032.38	66,032.38
Public Safety	33,429.59	33,429.59
Publics Works	109,871.79	109,871.79
Recreation & Culture	500.00	500.00
Total Expenditures	209,833.76	209,833.76
Excess of Revenues Over (Under) Expenditures	37,514.20	37,514.20
Fund Balances - Beginning of Year	144,949.58	144,949.58
Fund Balances - End of Year	$ 182,463.78	$ 182,463.78

The notes are an integral part of the statements.

Township of Koylton

Governmental Funds
Reconciliation of Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For The Year Ended March 31, 2005

Net Change in Fund Balances - Total Governmental Funds	$ 37,514.20
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental Funds report Capital Outlays as Expenditures; in the Statement of Activities, these costs are capitalized and allocated over their estimated useful lives as Depreciation	-
Special assessment revenues are recorded in the statement of activities when the assessment is set; they are not reported in the funds until collected or collectible within 60 days of year end	-
Repayment of Bond Principal is an Expenditure in the Governmental Funds, but not in the Statement of Activities (where it reduces Long-Term Debt)	-
Interest Expense is reported in the Statement of Activities when a Liability is incurred; they are reported in the Governmental Funds only when payment is due	-
Depreciation is an Expenditure for the Statement of Activities, but is not reported in the Governmental Funds	-
Net Assets of Governmental Activities	$ 37,514.20

The notes are an integral part of the statements.

Township of Koylton

Statement of Net Assets (Deficit)
Fiduciary Funds
March 31, 2005

	Fiduciary Fund	
	Agency Funds	
Assets	Trust & Agency Fund	
Cash - Savings & Certificates	$	506.50
Total Assets	$	506.50
Liabilities & Fund Balance		
Liabilities		
Due To Others	$	506.50
Total Liabilities		506.50
Fund Balances		
Unreserved & Undesignated		-
Total Fund Balances		-
Total Liabilities & Fund Balances	$	506.50

The notes are an integral part of the statements.

The accounting methods and procedures adopted by the Township of Koylton, Tuscola County, Michigan, conform to generally accepted accounting principles as applied to governmental entities. The following notes to the financial statements are an integral part of the Townships Comprehensive Annual Financial Report.

1. Summary of Significant Accounting Policies

Financial Reporting Entity

The Township was incorporated under the laws of the State of Michigan and operates as a General Law Township, with a Township Board form of government. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Township (the primary government) and its component units. The component units discussed below are included in the Township reporting entity because of the significance of their operational or financial relationships with the Township.

Component Units - In accordance with generally accepted accounting principles, there are no component units of Government required to be included in the Financial Reporting Entity either as blended component units or discretely presented component units.

Government-wide and Fund Statements Fund

The Government-wide Financial Statements (i.e., the Statement of Net Assets (Deficit) and the Statement of Activities) report information on all the nonfiduciary activities of the Township (the primary government). The effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function (governmental activities) or identifiable activity (business-type activities) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or activity; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other revenue items properly excluded from program revenues are reported as general revenue.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the Government-wide Financial Statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Township reports the following major governmental funds:

> **General Fund** - The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government.

Additionally, the Township reports the following fund types:

> **Trust & Agency Funds** - The Trust & Agency Fund accounts for assets held by the Township in a trustee capacity or as an agent for individuals, organizations, or other governments.

Measurement Focus and Basis of Accounting

The Government-wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become susceptible to accrual - that is, when they become both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period, generally collected within 60 days of the end of the current fiscal period. Revenues susceptible to accrual include property taxes, intergovernmental revenues, special assessments, licenses, charges for services, and interest. All other revenue items are considered to be available only when cash is received by the Township. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, and claims and judgments are recorded only when payment is due.

Cash - The Township does not pool cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the Township's investments.

Investments - Debt securities are valued at cost since it is generally the policy of the Township to hold such investments until they mature.

Due to and Due From Other Funds - Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

Property Tax Revenues - Property taxes are levied on December 1 based on the assessed value of property as listed on the previous December 31. Assessed values are an approximation of market value. A revaluation of all real property must be made every year.

Vacation, Sick Leave, & Other Compensated Absences - The Township does not have any contracts or agreements with its employees or elected officials which require the payment of compensation during absence from duty nor do any such benefits vest to the right of the employee or elected official.

Capital Assets - Capital assets, which include buildings and equipment, are reported in the applicable governmental column in the Government-wide Financial Statements. Capital assets are defined by the Township as assets with an initial individual cost of more than $1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets are depreciated using the straight-line method over the following useful lives:

Infrastructure	40 years
Buildings & Building Improvements	20 to 40 years
Machinery & Equipment	3 to 10 years

Long-Term Obligations - In the Government-wide Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts, issuance costs, and the deferred amount on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and deferred amount on refunding. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund Equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Accounting Changes

GASB Statement No. 34 – Effective April 1, 2004, the Township implemented the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (GASB No. 34). Changes to the Township's financial statements as a result of GASB No. 34 are as follows:

- A management's discussion and analysis (MD&A) section providing analysis of the Township's overall financial position and results of operations has been included.
- Government-wide Financial Statements (statement of net assets (deficit) and statement of activities) prepared using full accrual accounting for all of the Township's activities have been provided.
- Capital assets in the governmental activities column of the statement of net assets (deficit) includes assets not previously accounted for by the Township as well as assets previously reported in the General Fixed Assets Account Group. In addition, the governmental activities column includes bonds and other long-term obligations previously reported in the General Long-term Debt Account Group.
- The fund financial statements focus on major funds rather than fund types.

2. Stewardship, Compliance, and Accountability

Budgetary Information

The Township is legally subject to the budgetary control requirements of State of Michigan P.A. 621 of 1978 (the Uniform Budgeting Act). The following statements represent a brief synopsis of the major provisions of this Act:

1. Budgets must be adopted for the General Fund and Special Revenue Funds.

2. The budgets must be balanced. The balanced budget may include a contribution to or appropriation from fund balance.

3. The budgets must be amended when necessary.

4. Debt cannot be entered into unless permitted by law.

5. Expenditures cannot exceed budget appropriations.

6. Expenditures cannot be made unless authorized in the budget.

7. Public hearings must be held before budget adoptions.

In the body of the financial statements, the Township actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The budget is used by the Township Council as a management tool during the year for all budgetary funds. The budgets are adopted on a cash basis, which is not consistent with generally accepted accounting principles. Budgetary control is exercised at the departmental level. Budgets for the General Fund and the Special Revenue Funds are presented in the required supplemental information.

During the year ended March 31, 2005, the Township incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

None

3. Cash and Investments

Michigan Compiled Laws, Section 129.91, authorizes the Local Unit to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

At year end, the deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities	Fiduciary - Trust & Agency Funds	Total Primary Government
Cash & Cash Equivalents	$ 165,062	$ 507	$ 165,569

The Township's deposits are in accordance with statutory authority. As of March 31, 2005, the balance sheet carrying amount of cash deposits was $165,569. The bank balance as of March 31, 2005, was $165,062, of which $100,000 was covered by FDIC insurance.

All cash deposits and investments of the Township are held by the Township in the Township's name.

The GASB Statement 3 risk disclosures for the Local Unit's investments are as follows:

	Category			Carrying	Market
	(1)	(2)	(3)	Value	Value
Certificates of Deposit	$ -	$ -	$ -	$ -	$ -
U.S. Government Securities	-	-	-	-	-
Total Investments	$ -	$ -	$ -	$ -	$ -

The cash and investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

Category 1	Insured or registered, or securities held by the Township or its agent in the Township's name.
Category 2	Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Township's name.
Category 3	Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Township's name.

4. Property Taxes

The Township is responsible for assessing, collecting, and distributing property taxes in accordance with enabling state legislation. Property taxes become a lien on the first day of December of the levy year and may be paid by the following February 14.

Property taxes are recognized in compliance with NCGAI-3 which states that such revenue is recorded when it becomes measurable and available.

The Township levied the following taxes:

General Government Services	3.3753	mills

5. Capital Assets

None

6. Deficit Fund Balance or Retained Earnings Balances of Individual Funds

None

7. Comparative Data

Comparative total data for the prior year has not been presented.

8. Long -Term Debt

None

9. Post Employment Benefits

The Township does not provide any post employment benefits.

10. Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical and workman's compensation benefits provided to employees. The Township has purchased commercial insurance for the various risks of loss stated above.

Settled claims for the commercial insurance have not exceeded the amount of coverage in any of the past three years. There was no reduction in coverage's obtained through commercial insurance during the past year.

Required Supplemental Information

Township of Koylton

Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For The Year Ended March 31, 2005

	General Fund			
	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenues				
Property Taxes	$ 110,000.00	$ 110,000.00	$ 124,800.39	$ 14,800.39
State Shared Revenues	105,000.00	105,000.00	106,602.00	1,602.00
Charges for Services	3,500.00	3,500.00	3,135.00	(365.00)
Interest Earnings	500.00	500.00	706.29	206.29
Other Revenues	28,700.00	28,700.00	12,104.28	(16,595.72)
Total Revenues	247,700.00	247,700.00	247,347.96	(352.04)
Expenditures				
General Government				
Township Board	5,000.00	5,000.00	3,601.59	1,398.41
Administration	25,100.00	25,100.00	7,415.23	17,684.77
Clerk	11,050.00	11,050.00	11,050.00	-
Treasurer	18,250.00	18,250.00	17,340.93	909.07
Supervisor	8,350.00	8,350.00	8,350.00	-
Assessor	9,100.00	9,100.00	9,004.24	95.76
Elections	4,000.00	4,000.00	2,258.79	1,741.21
Professional Services	10,000.00	10,000.00	2,342.50	7,657.50
Board of Review	800.00	800.00	554.10	245.90
Township Hall Expense	7,800.00	7,800.00	2,115.00	5,685.00
Cemetery	2,000.00	2,000.00	2,000.00	-
Total General Government	101,450.00	101,450.00	66,032.38	35,417.62
Public Safety				
Planning & Zoning	6,000.00	6,000.00	2,964.59	3,035.41
Fire Protection	35,000.00	35,000.00	30,465.00	4,535.00
Total Public Safety	41,000.00	41,000.00	33,429.59	7,570.41
Public Works				
Roads	181,000.00	181,000.00	81,007.90	99,992.10
Drains at Large	50,000.00	50,000.00	28,863.89	21,136.11
Total Public Works	231,000.00	231,000.00	109,871.79	121,128.21
Recreation & Culture	800.00	800.00	500.00	300.00
Total Expenditures	374,250.00	374,250.00	209,833.76	164,416.24
Excess of Revenues Over (Under) Expenditures	(126,550.00)	(126,550.00)	37,514.20	164,064.20
Fund Balance - Beginning of Year	126,620.00	126,620.00	144,949.58	18,329.58
Fund Balance - End of Year	$ 70.00	$ 70.00	$ 182,463.78	$ 18,329.58

LEHN L. KING
CERTIFIED PUBLIC ACCOUNTANT

3531 MAIN STREET
MARLETTE, MICHIGAN 48453

Phone 989-635-3113
Fax 989-635-5580

June 15, 2005

RECEIVED
DEPT. OF TREASURY
AUG 19 2005
LOCAL AUDIT & FINANCE DIV.

Members of the Township Board
Koylton Township
Tuscola County, Michigan

Gentlemen:

In accordance with your request, I have made an examination of the financial statements of Koylton Township for the fiscal year ended March 31, 2005. During the course of my examination, no items have come to my attention.

I thank the Township officials for the cooperation we received in the completion of this examination. Should you have any questions, please contact me at your convenience.

Sincerely,

Lehn King

Lehn L. King
Certified Public Accountant